

**REMARKS**

Claims 2, 5, 7-17 and 19-30 are pending in the application. Claims 7-17 and 21-26 are withdrawn, the election having been made without prejudice to having the non-elected claims considered upon allowance of a generic claim or the filing the non-elected claims in divisional applications.

With this response, claims 2, 5, 19-20 and 27-30 have been amended for clarity and not for reasons relating to patentability.

In the Office Action of February 18, 2009, claims 2, 5, 19-20 and 27-30 were rejected under 35 U.S.C. § 101 as being directed to non-statutory subject matter. Claims 2, 5, 27 and 29-30 were rejected under 35 U.S.C. § 102(e) as being anticipated by U.S. Patent No. 7,340,430 ("Mulinder"). Claims 19-20 and 28 were rejected under 35 U.S.C. § 103(a) as being unpatentable over Mulinder in view of U.S. Patent No. 6,625,583 ("Silverman").

Applicants respectfully traverse the rejections and request reconsideration in view of the amendments and the following remarks.

**Related Applications**

Applicants and Applicants' attorney hereby make of record in the above-identified patent application, the existence of the following commonly owned co-pending patent applications that is related to the above-identified patent application:

U.S. Patent Application Serial No. 11/865,534, filed October 1, 2007, entitled NETWORK AND METHOD FOR TRADING DERIVATIVES (Attorney Docket No. 4672/651).

Applicants respectfully request the Examiner to review the claims and the prosecution history, including any Office Actions issued by the U.S. Patent and Trademark Office, for the above-referenced applications, since the specifications include common subject matter.

**I. INTERVIEW SUMMARY**

On March 11, 2009, a telephonic interview was conducted between the undersigned and Primary Examiner Lalita Hamilton. During the interview, the differences between actionable quotes and indicative quotes was discussed in relation to the cited art and the claims. Further,

amendments to the claims in view of the rejection under 35 U.S.C. § 101 were discussed. No agreement was reached.

## **II. REJECTIONS UNDER 35 U.S.C. § 101**

Claims 2, 5, 19-20 and 27-30 were rejected under 35 U.S.C. § 101 as being directed to non-statutory subject matter. With this response, claims 2, 5, 19-20 and 27-30 have been amended for clarity and not for reasons relating to patentability. No new matter has been added. Applicants submit that claims 2, 5, 19-20 and 27-30, as amended, are directed to statutory subject. Accordingly, Applicants request that the Examiner withdraw this rejection of these claims.

## **III. REJECTIONS UNDER 35 U.S.C. § 102(e)**

Claims 2, 5, 27 and 29-30 were rejected under 35 U.S.C. § 102(e) as being anticipated by Mulinder. Applicants submit that these claims are not anticipated by Mulinder as this reference fails to disclose all of the elements of these claims.

Independent claim 27, as amended, is set forth above.

Mulinder relates to “[a] method and system [which] is provided for managing risk associated with providing real-time trading services and includes the step of providing a plurality of dealing quotes wherein each of the plurality of dealing quotes having a duration. Next, an exposure associated with each of the dealing quotes during the respective durations is calculated. Next, a total exposure based on the exposures for all of the dealing quotes that have not expired is calculated. Finally, future dealing quotes are adjusted based on the total exposure.” See Mulinder, Abstract.

Mulinder fails to disclose “generating, by [a] network computer, a plurality of indicative quotes for the subset of the plurality of products based on the market data and the quote data, and transmitting the plurality of indicative quotes to a subscriber computer via the network; and facilitating, by the network computer, the subscriber computer to generate a request for actionable quote for at least one product of the subset of the plurality of products based on the plurality of indicative quotes and transmit the request for actionable quote to all of the at least one market maker computer via the network, each of the at least one market

maker computer being responsive thereto to generate an actionable quote in response to the request for actionable quote and transmit the actionable quote back to the subscriber computer via the network wherein the subscriber computer may generate an order based on the actionable quote..." as claimed.

Instead, Mulinder discloses a system 1 for use by a financial institution (*See* Mulinder, Col. 7, lines 19-20) for providing "dealing quotes", i.e. quotes upon which traders can trade. (*See* Mulinder, Col. 1, lines 45-46). Mulinder further discloses that:

[t]o provide price quotes for derivatives, quote engine 9' receives from a market maker, operating a market maker access device 10 (for example, a personal computer), definitions for particular derivatives that includes the volatility surfaces for such derivatives that reflects the market maker's future expectations regarding those derivatives. Quote engine 9' also receives from a real-time market information source 11' real-time market information including, by way of non-limiting example, spot price information and interest rate information. Upon receiving the client price request for a particular derivative, quote engine 9' applies a derivative pricing technique that uses as inputs the real-time market information and a definition provided by the market maker for the particular derivative *for providing a dealing price quote in response to the price request*. Such a derivative pricing technique may be, for example, linear and spline variance interpolation, linear and spline volatility smile interpolation, by delta or by strike, weekend weighting algorithms and premium interpolation. The price quote provided by quote engine 9' is then forwarded to flow manager 7 and is processed in a similar manner as the price quotes provided by quote engine 9 of FIG. 2. (emphasis added) Mulinder, Col. 7, line 54 – Col. 8, line 8.

As can be seen from the above excerpt, the system 1 of Mulinder generates the dealing quotes *on behalf of* the market makers, rather than facilitate the transmission of the request for quote to the market makers for generation of an actionable quote, based on which an order may be generated, as claimed.

Further, one of ordinary skill in the art would not modify the system 1 of Mulinder to implement the claimed facilitating as Mulinder specifically teaches away from such, e.g. Mulinder discloses that:

[b]ecause of the time required to generate an initial quote and the rate at which the FX markets changes, the initial quote provided by the currency trader is generally just an indicative quote and not a dealing quote upon which the trader may trade. To place a trade, the investor must request a dealing quote from the currency trader and the investor is typically given just a few seconds

to actually accept a trade once a dealing price is provided by the currency trader. If the investor does not accept the trade within the allotted time, the investor must request a new dealing price quote on which to trade.

There are numerous drawbacks in the prior art FX trading process that arise primarily from the nature of the FX markets and the fact that FX price quotes are typically generated manually by a currency trader employed by a financial institution. First, because it may take considerable time for the currency trader to provide a client with a price quote, the client has little time to decide whether to trade and in many instances won't trade based on a particular quote because of changes that occurred in the market since receiving the quote. Furthermore, because price quotes are generated manually by currency traders based on their view of the FX market at any given time, price quotes for FX transactions are often subjective and vary from currency trader to currency trader. Also, because the financial institution often must employ numerous traders to provide FX price quotes and execute transactions for their client base, providing FX services is costly. *See* Mulinder, Col. 1, line 42 – Col. 2, line 2.

In addition, it can be seen that Mulinder is directed to a system which centralizes the generation of dealing quotes (*See* Mulinder, generally) and therefore teaches away from a system which decentralizes their generation.

According to the Examiner:

... Mulinder discloses that a client forwards a request for quote to the system (col.7, lines 10-15). After reviewing the price request, a trader may decide to reject the price request. The trader may modify the price quote in any number of ways. Limits may also be placed on the prices provided by the quote engine (col.8, line 50 to col.9, line 20). Once a price has been determined, it is transmitted back to the client device for review (col.9, lines 20-45). Therefore, the Examiner is interpreting Mulinder as reading onto the invention as claimed. *See* the Final Office Action dated August 21, 2008, page 3 and the Office Action of February 18, 2009.

Contrary to the Examiner's assertion, the "request for quote" referred to in the excerpt above is a request for an actionable quote, referred to in Mulinder as a "dealing quote," or one which may be acted upon by the client to bind the trader. The "price quote" referred to in the excerpt above is the actual actionable quote, or dealing quote, which is transmitted back to the client device.

However, Mulinder fails to disclose the claimed generating and transmitting of *indicative* quotes, i.e. non-binding quotes. Mulinder discloses:

[r]eferring now to FIG. 3, there is shown a flow chart describing the overall operations of FX services provider 3. Initially, in Step 31, flow manager 7 that receives requests for services from a client operating access device 2 and coordinates the functions of the various modules contained in FX services provider 3. Once the client gains access to FX services provider 3, *the client may request an FX price quote* by invoking a price request application program interface ("API"). In invoking the price request API, the client provides the currency pair of interest, the type and size of transaction contemplated and the tenor of the transaction. For example, the client may request a price for a one year \$100 USD/JPY FX forward by including such terms in the price request API and forwarding the request to FX services provider 3. Flow manager 7 receives the price request from the client and forwards the price request to quote engine 9.

Next, in Step 32, *quote engine 9 receives the client price request for the particular transaction and determines the price to be provided to the client in response* using a number of factors. See Mulinder, Col. 6, line 64 – Col. 7, line 16 (emphasis added).

In addition, Mulinder discloses:

[r]eferring now to FIG. 2a, there is shown a block diagram of a derivatives quote engine 9' for providing dealing quotes in derivative securities according to an exemplary embodiment. In this embodiment, derivative quote engine 9' provides the functions of quote engine 9 described above as well as providing price quotes for derivative securities. Quote engine 9' provides price quotes for any type of security, such as FX, equity and commodities, for any type of derivatives including, by way of non-limiting example, vanilla options, spreads, straddles, multi-leg options and exotic options.

To provide price quotes for derivatives, *quote engine 9' receives from a market maker, operating a market maker access device 10 (for example, a personal computer), definitions for particular derivatives* that includes the volatility surfaces for such derivatives that reflects the market maker's future expectations regarding those derivatives. *Quote engine 9' also receives from a real-time market information source 11' real-time market information ....* See Mulinder, Col. 7, lines 43-61 (emphasis added).

Further, Mulinder discloses:

[n]ext, in Step 38, *it is determined whether a dealer intervention flag has been set for the particular price request and, if it was, the price request is forwarded to dealer intervention module 13 for review.* Referring now to FIG. 5a, there is shown a flow chart describing the operations performed by dealer intervention module 13. Initially, in Step 510, a trader operating trader access device 15 that may be, for example, a personal computer, reviews the price request for any number of factors including, for example, the clients credit status and the financial institution's risk position. After reviewing the price

request, in Step 520, the trader decides whether the price request in which case the price request is rejected in Step 530. Otherwise, in Step 540, the trader may modify the price quote in any number of ways including, by way of non-limiting example, by widening the price spread, limiting the transaction amount or shortening the tenor. *The trader may modify the price quote*, for example, if the price quote is for a large notional or if the market is volatile at the time. Similarly, the trader may review the price request for any other purpose and impose restrictions regarding the price quote according to well-known risk management techniques.

In addition to examining and modifying specific price quotes, dealer intervention module 13 may also be used by a trader operating trader access device 15 to control the pricing and trading activity of FX services provider 3 in certain situations. For example, in a volatile market, the trader may require that all price quotes be sent to dealer intervention module 13 for review by the trader because quote engine 9 will be unable to effectively generate prices in a fast moving market. In such case, the trader causes dealer intervention module 13 to set a flag in flow manager 7 indicating that flow manager 7 is to send all price quotes to dealer intervention module 13 for review before the price quotes are released to the client. *See Mulinder, Col. 8, line 50 – Col. 9, line 18 (emphasis added).*

Finally, Mulinder discloses that:

*[o]nce a price quote has been determined by quote engine 9 and has been reviewed by credit check module 17 and dealer intervention module 13, as necessary, in Step 34 of FIG. 3, flow manager 7 communicates the price quote to the client via client access device 2. Next, in Step 37, it is determined whether the client has requested a trade based on the price quote received. If a trade request is received from the client then, in Step 35, it is determined whether the price quote duration has expired and, if so, in Step 36, credit check module 17 releases the reserve previously placed on the client's credit line. If it is determined, in Step 35, that the client has requested a trade by invoking a request trade API that includes the parameters of the price quote, then flow manager 7 receives the trade request for processing. See Mulinder, Col. 9, lines 31-44 (emphasis added).*

In particular, the above excerpts disclose that a client may request a dealing quote from the quote engine. Based on previously provided definitions from a market maker and real-time market information, the quote engine generates a dealing quote. The dealing quote may be subject to dealer review and modification before it is sent to the client. Once reviewed and/or modified, if required, the dealing quote is sent to the client who may then decide to send in a trade request in response. The trade request is then processed.

However, this does not disclose Applicants' claimed invention which generates *indicative* quotes based on quote data provided by market makers, as well as market data, provides those quotes to subscribers and further facilitates "... the subscriber computer to generate a request for *actionable* quote for at least one product of the subset of the plurality of products based on the plurality of quotes and transmit the request for actionable quote to all of the at least one market maker computer via the network, each of the at least one market maker computer being responsive thereto to generate an actionable quote in response to the request for actionable quote and transmit the actionable quote back to the subscriber computer via the network wherein the subscriber computer may generate an order based on the actionable quote..." as claimed.

In Mulinder, the client requests a *dealing* quote and then receives a *dealing* quote generated by the system upon which he may trade. Prior to delivering the *dealing* quote to the client, the *dealing* quote may have been reviewed and modified by a dealer. Mulinder fails to disclose the pushing of generated *indicative* quotes out to the subscribers by a centralized system that generates those quotes based on market maker quote data and market data, where the subscriber may then decide they want to trade and to do so, *must request another actionable quote from all of the market makers* where at least one market maker generates an *actionable* quote and sends it back to the subscriber who may then submit a trade in response. Effectively, for example, Applicants' claimed method permits a centralized system to automatically push *indicative* quotes to subscribers and allow interested subscribers, based on those *indicative* quotes, to request *actionable* quotes only for those products they are interested in trading. Mulinder, in contrast, merely discloses an automated quote generator which generates actionable quotes in response to requests.

Accordingly, for at least these reasons claim 27 is not anticipated by Mulinder. Applicants therefore request that the Examiner withdraw this rejection of these claims.

Claims 2, 5 and 29-30 depend from claim 27 and are therefore allowable for the reasons set forth above with regard to this claim. Accordingly, Applicant requests that the Examiner withdraw the rejections of claims 2, 5 and 29-30.

#### IV. REJECTIONS UNDER 35 U.S.C. § 103(a)

Claims 19-20 and 28 were rejected under 35 U.S.C. § 103(a) as being unpatentable over Mulinder in view of Silverman. Claims 19-20 and 28 depend from claim 27 and are therefore allowable for the reasons set forth above with regard to this claim. Applicants further submit that claims 19-20 and 28 are patentable over the cited references as these references, alone or in combination, fail to disclose all of the elements of these claims.

Mulinder is described above. Silverman relates to:

[a] computer implemented method for interacting with a user of a trading computer includes forming a number of ticker pages, simultaneously displaying ticker page selection elements, and displaying one of the ticker pages based on an input identifying one of the page selection elements. Each ticker page includes trade order information for a negotiable item (such as a stock or other equity) and each ticker page selection element is associated with one of the ticker pages. A trading computer includes a screen that can operate as both an output display and an input digitizer and a processor coupled to the screen and to a memory. The memory includes instructions for causing the processor to form and display ticker pages on the screen. Each ticker page includes trade order information for a different negotiable item. A currently displayed ticker page may be determined based on a selection of a ticker page selection elements. The ticker page selection elements may be rendered as page tabs that are displayed at a different output display location. The computer memory also may include additional instructions for implementing other methods of the invention. *See* Silverman, Abstract.

Mulinder, as noted above, fails to disclose the claimed facilitating and Silverman fails to fill this gap. Instead, Silverman discloses a trading system interface.. Silverman fails to disclose mechanisms for requesting or generating quotes as claimed.

Accordingly, for at least these reasons claims 19-20 and 28 are patentable over Mulinder and Silverman, alone or in combination. Applicants therefore request that the Examiner withdraw this rejection of these claims.



**CONCLUSION**

Each of the rejections in the Office Action dated February 18, 2009 has been addressed and no new matter has been added. Applicants submit that all of the pending claims are in condition for allowance and notice to this effect is respectfully requested. The Examiner is invited to call the undersigned if it would expedite the prosecution of this application.

Respectfully submitted,

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